

Neighborhood Mortgage



December 9, 2009

Jennifer J. Johnson,
Secretary, Board of Governors of the Federal Reserve System
Constitution Avenue, NW. Washington, DC 20551

RE: Proposed Rule revising Regulation Z as it pertains to closed-end mortgages
Option One-YSP

Dear Jennifer,

As a licensed mortgage originator with nine years in the industry I have many examples of benefits to the consumer with the use of YSP's (Yield Spread Premiums). I have the ability to give my borrower who wants to do a refinance to a lower rate the option of lowering his rate, saving ten's of thousands of dollars for his family and not having to pay all of his closing costs out of pocket or raising his loan balance. I have routinely helped many first time FHA and VA homebuyers get into their new homes by having their "non-allowable" closing costs (closing cost the borrower is not allowed to pay) be paid through YSP. The thing to remember is as a broker we deal with "wholesale rates" so we offer loan programs to the consumer at rates and fees that the "banks" can not match. I specifically know this as I have worked at a large national bank only to discover I couldn't offer as low of rates and the lowest net borrowing costs to my clients working for the bank, only by working as a broker and using the YSP could I give my clients more options. Please contact me directly and I will give you more details.
Please continue to give the consumers choices to best meet their needs with the use of Yield Spread Premiums.

Respectfully Yours,

Dave Pearce, CRMS
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